

Bridgetown, 15 October 2008

EU and the Caribbean seal economic partnership with ground-breaking trade deal

The European Union and countries of the Caribbean region have today signed an Economic Partnership Agreement (EPA) which will strengthen ties between the two regions and promote regional integration in the Caribbean. The EPA is the first genuinely comprehensive North-South trade and development agreement in the global economy. It includes a package of measures to stimulate trade, investment and innovation, and to promote sustainable development, build a regional market among Caribbean countries and help eliminate poverty.

Speaking at the signing ceremony, European Commission Vice-president Siim Kallas said: "This marks a new era in EU-Caribbean economic relations. The EPA puts the Caribbean firmly on the map for trade and investment. I pay tribute to the Caribbean leaders and negotiators for pursuing their vision of a prosperous future for their region."

EU Commissioner for Development Louis Michel added: "This is a groundbreaking step forward for regional integration and development for the Caribbean. This deal creates new opportunities for the region in terms of stronger growth and exports, and more jobs."

The EPA between the EU and the CARIFORUM group of Caribbean countries was negotiated between 2004 and 2007 after previous trade arrangements failed to stimulate development and were challenged as discriminatory at the WTO. The EPA is a binding international agreement that fully complies with WTO rules and provides security for Caribbean traders and investors. The deal includes chapters on trade in goods; trade in services; investment; competition; innovation and Intellectual Property, public procurement and development aid. Some key benefits of the EPA:

- Offers up front access to EU markets for Caribbean exports;
- Allows Caribbean markets to open gradually over 25 years with extensive safeguards to protect local jobs and sensitive sectors;
- Frees up trade in the services sector to promote growth and investment;
- Promotes cooperation in innovation programmes;
- Protects labour and environment standards in the Caribbean;
- Helps Caribbean exporters meet EU and international standards.

The EPA will mean much closer cooperation and dialogue between the two regions on all these issues and is backed with substantial EU development aid. EU financing plans are in place and being developed further, including participation in a regional fund to help implement the EPA.

Despite having initialled the agreement at the end of last year, Haiti did not sign the EPA today due to specific difficulties in that country. Haiti already benefits from free access to European markets as a Least Developed Country (LDC) and will continue to do so. The EU has pledged to work with the Haitian government and other Caribbean partners to ensure that the conditions for Haiti to join the EPA are in place soon.

Background

The EU and the African, Caribbean and Pacific countries (ACP) have been working to put in place new Economic Partnership Agreements. Such agreements aim at progressively removing barriers to trade and enhancing cooperation in all areas related to trade. They are also aimed at providing an open, transparent and predictable framework for freer trade in goods and services, and enhanced investment flows, thus increasing competitiveness of the ACP.

The ACP countries decided themselves on the regional groupings for EPA negotiations. There are 6 such groups, four in Africa, one in the Pacific and the one in the Caribbean. The CARIFORUM countries are: Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Saint Kitts and Nevis, Suriname, and Trinidad and Tobago. Cuba is also a member of CARIFORUM but is not part of the ACP group and did not participate in negotiations.

For further details on the EU-Caribbean EPA please see the FACT SHEET

For more details on Economic Partnership Agreements, including the state of play with other ACP regions, please see

http://ec.europa.eu/trade/issues/bilateral/regions/acp/index_en.htm